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## **Demand Development through Targeted School Lunch**

A proposal submitted to the Central Fund of the USDA's Emerging Markets Program  
by  
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### **Overview:**

The school lunch program in Deyang intended to capture the hearts, minds and stomachs of China's youth and develop demand and interest in quality U.S. food products. With China's booming economy, today's youth will be tomorrow's middle-income consumer. McKinsey Quarterly estimates that by 2020, over 50 percent of the population will be upper-middle income and above. This project targets at the school students averagely aging from eight to eighteen. The program is a pilot project intended to build a sustainable school lunch program throughout China that includes U.S. nutritional values and showcases U.S. products.

The following program builds upon USDA's initial earthquake relief efforts and outlines a three phase assistance program to: 1) provide a joint needs assessment with the local and national Chinese partners; 2) develop and implement a traditional school lunch program on a pilot basis, and; 3) outline an implementation framework that can be adopted by the national Chinese partners to implement the school lunch program more widely in China.

A critical component is to insure that the U.S. industry participates in all three phases of the project. In fact, the success of this private/public program is combining private sector support and food products with public sector expertise to provide the Deyang school district with an implementable school lunch program and a road map for other districts to implement similar programs. The success of this project depends on this private/public synergy.

In addition to supporting U.S.-China's long term relationship, China benefits with improved food nutrition and food security, and is a template for China-wide objectives for a school lunch program that promotes a healthy, balanced diet. Post has identified the Public Nutrition and Development Council as a national level quasi-government partner to replicate the success in Deyang to nationwide.

Through cooperation and coordination with U.S. cooperators, agricultural food products were delivered to students in 14 schools and over \$230,000 were committed.

### **Background and Justification:**

Developing a sustainable school lunch program in China will provide benefits to U.S. agriculture. First, a sustainable school lunch program will increase food consumption in approximately half the K-12 school between 30 and 50 percent. Second, through cooperator support, a school lunch program can introduce Chinese children to U.S. agricultural products that they are otherwise unaccustomed to eat. Finally, by providing leadership to the local government, in addition to establishing a school lunch and nutrition education program, U.S. food, nutrition, and product information can be incorporated in program materials.

Deyang requested school lunch assistance to more effectively develop a menu that insures a healthy, balanced diet. As local businesses and government focus on reconstruction and long-term development, the burden of paying for school lunches are stretching families in targeted schools beyond their means, or pushing children out of school. Throughout China, especially in low income rural areas, elementary, middle and high school students must either bring their own food or pay for school lunches. The result is many students are undernourished or have a poorly balanced diet. Teachers and administrators have limited availability of nutritional information.

On May 12, 2008, China's Sichuan Province experienced a massive earthquake measuring 8.0 on the Richter scale. As an immediate response, the school lunch assistance program was launched in early June to provide food assistance to the over four thousand senior high school students in Deyang city, one of the quake-hit areas in Sichuan province. Through cooperation and coordination with U.S. cooperators, agricultural food products were delivered to students. Wisconsin ginseng tea was donated to students in ten schools and Alaska seafood was donated to students in fourteen schools. In addition, over \$230,000 to support Sichuan redevelopment efforts were committed by cooperator members.

Coinciding with the project, Chinese National Research and Development Center (NRDC) has included improving school students' nutrition by developing a healthy and balanced diet into the government's eleventh five-year plan. Successful implementation of this pilot project will allow it to be replicated nationwide. The objective is to begin school lunch programs that can be a model for China.

### **Project Objectives:**

This project's objectives are consistent with various objectives within FAS China Country Strategy Statement where goals three and four are to "Expand and Diversify Markets for U.S. Agricultural Products in China" and to "Speed Modernization of China's Agricultural Sector." Specific project objectives are:

- To expand consumption of U.S. agricultural products. In China, especially in low income rural areas, elementary, middle and high school students must either bring their own food or pay for school lunches. The focus is to cover this part of the food needs and expand U.S. agricultural products consumption.
- To introduce new U.S. agricultural products. Private sector participation in this project is critical. Simultaneously the project provides an opportunity for U.S. industry to showcase their new products.

- To educate administrators, teachers and students about the importance of a healthy, well balanced diet, including U.S. food products. Education is a significant component to the project to improve information to educators and students, and propel understanding of quality U.S. food products into the school system where food consumption habits are established.
- To have the Chinese government replicate the program in other areas of Sichuan and elsewhere in China. The project in Deyang will be a pilot demonstration project, and its success replicated in other areas of China. By replicating the project, the outcome of the above-mentioned objectives will be multiplied.

### **Workplan:**

There are three phases to the project. Phase one would be to refine the specific needs of the Deyang school district and develop a menu of available resources to address these needs. Needs that have been identified include expert assistance in menu development, school lunch implementation, including funding alternatives, and qualifying students for food assistance.

Phase two would be to develop and implement a traditional school lunch program in the targeted school, including both on-site (in China) and U.S. based training. The program is intended to target at least one elementary, one middle school and one high school. Average school sizes vary from 1000 to 6000 students. Nutritional information in Chinese will be developed and incorporated into school educational materials.

Phase three would be to develop an implementation manual and accompanying training materials that the Chinese government could use to replicate the success in other school districts and other provinces.

Benchmarks for quantifying progress in meeting the objectives include:

- Increase in total calorie and micronutrient consumption at targeted schools
- Introduction of U.S. agricultural products to K-12 schools
- Increase in total calorie consumption of U.S. agricultural products in the targeted schools.
- Increase nutritional understanding of students and teachers before during and after the program

Insuring U.S. industry participation in all these three phases, especially phase two, is a critical component of the project. The success of this private/public program would combine private sector support and food products with public sector expertise to provide the Deyang school district with an implementable school lunch program and a road map for other districts to implement similar programs. The private sector support for the project could include product, nutritional information in educational materials, and funds to support the program.

Public sector support for the project will include coordination, experts for the local government, and could include funding for transportation and educational materials.

**Budget:**

Time: 2009

Activity	Participant	Time	Estimated Cost	Cost Component
Bring two sets of two (4 in total) USDA experts to Sichuan to identify local needs	USDA experts	March-April 2009	25,600	Round trip air fare, accommodation for one week, per diem for one week
Develop nutritional materials in Chinese and incorporate into Chinese educational materials	USDA/ATO Chengdu	May 2009	10,000	Translation English into Chinese, material printing and dispatching
Three-day on-sight training	Two USDA experts, 20-30 local school representatives	July 2009	18,500	Round trip air fare and accommodation for expert, training venue and MISC fees
One-week U.S. based training	5 local school representatives	August 2009	30,000	Round trip air fare and accommodation in U.S.

**Total Cost: 84,100**

Expert Assessment Travel to Sichuan: Approximately \$25,600 to bring four experts in two separate groups to Deyang and conduct one-week field study to identify needs from local schools.

Developing Training Materials: Approximately \$10,000 for compiling nutritional materials and customizing them for local use and translating them into Chinese. The ready-to-use materials will be designed and printed, and handed out locally.

Expert Implementation Training: Approximately \$18,500 to bring two USDA experts to implement three-day training based on the outcomes of the first trip.

Education Team to U.S.: Approximately \$30,000 for bringing school administrators, teachers, and school cooks to the U.S. to expose them to the quality U.S. food products, and demonstrate how the school lunch program is conducted in the U.S. and other countries, which includes field visits and presentations.